



Underwritten by: Freedom Specialty Insurance Company  
 Home Office: One Nationwide Plaza • Columbus, Ohio 43215  
 Administrative Office: 7 World Trade Center, 37<sup>th</sup> Floor • 250 Greenwich Street • New York, NY 10007-0033

**FREEDOM 360°  
 PRIVATE COMPANY PACKAGE POLICY SUPPLEMENTAL APPLICATION**

Please answer all questions and submit all requested information. Terms appearing in bold in this **Application** are defined in the Policy and have the same meaning in this **Application** as in the Policy. The **Insurer** will hold this **Application**, including all materials submitted herewith, in confidence. Whenever used in the **Application**, the term “**Applicant**” shall mean the **Parent Organization** and any of its **Subsidiaries**. Please complete this Supplemental Application if the **Applicant** seeks coverage for **Defense Costs** or coverage for other **Loss** arising from wage and hour related claims. If needed, the **Applicant** may attach any additional information to this **Application** for the **Insurer’s** use and consideration.

**Wage and Hour Supplemental Application**

**1. Workforce Information**

a) Please complete the following concerning the <b>Applicant’s</b> employees:								
	Exempt Employees			# Non-Exempt Employees			# Ind. Contractors	Line Total
	# Paid Salary	# Paid Hourly	# Paid on Fee Basis	# Paid Salary	# Paid Hourly	# Paid on Fee Basis		
<b>Total Employees</b>								
<b>SPECIFY:</b>								
CA								
NY								
IL								
FL								
All Other States								
Foreign								



b) Please complete the following concerning the **Applicant's** ten (10) most populated job titles:

Job Title	Exempt Employees			# Non-Exempt Employees			# Ind. Contractors	Line Total
	# Paid Salary	# Paid Hourly	# Paid on Fee Basis	# Paid Salary	# Paid Hourly	# Paid on Fee Basis		

2. Please complete the following concerning any audit of wage and hour practices that was completed by or on behalf of the **Applicant**:

- a) When did the **Applicant** last audit its wage and hour or wage payment practices for compliance with state and federal law?
- b) Was this audit performed by outside employment and labor counsel?  Yes  No  N/A
- c) Did the **Applicant** reclassify and change the exempt/non-exempt status of any particular positions or job families within the past five years? *If yes, please provide the details for the reclassification on a separate piece of paper.*  Yes  No  N/A
- d) If the **Applicant** is located in multiple states has it evaluated whether its payroll practices and exempt job classifications comply with federal AND each state law?  Yes  No  N/A
- e) Has the **Applicant** remedied any compliance issues found as a result of any evaluation done in (d), above? *If "Yes", please provide the details of such remedies on a separate sheet of paper.*  Yes  No  N/A

3. If the **Applicant** has **Independent Contractors** in its workforce, please answer the following questions:

- a) Do any **Independent Contractors** sit within the **Applicant's** office space along with the **Applicant's** employees?  Yes  No  N/A
- b) Do any **Independent Contractors** wear the **Applicant's** company uniform?  Yes  No  N/A
- c) Do any **Independent Contractors** drive the **Applicant's** vehicles that display the **Applicant's** company logo?  Yes  No  N/A
- d) Are any of the **Independent Contractors** supplied with the **Applicant's** tools or equipment?  Yes  No  N/A
- e) Are any of the **Independent Contractors** eligible for any benefits offered to the **Applicant's** employees?  Yes  No  N/A
- f) Are any of the **Independent Contractors** required to obtain approval from an employee of the **Applicant** concerning their work hours?  Yes  No  N/A

g) Please answer the following:

- |   |  |   |
|---|--|---|
| (1) % of <b>Independent Contractors</b> that have worked with the <b>Applicant</b> for less than one year |  | % |
| (2) % of <b>Independent Contractors</b> that have worked with the <b>Applicant</b> from 1-3 years         |  | % |
| (3) % of <b>Independent Contractors</b> that have worked for the <b>Applicant</b> for more than 3 years   |  | % |

4. Based on the below listed potential exemptions, please complete the following concerning the **Applicant's** EXEMPT employees:

a) Executive Exemption

- |  |   |
|--|---|
| (1) Total # of employees under this exemption  |   |
| (2) Do all managers/supervisors have at least two direct reports?  | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| (3) Do all managers/supervisors have the authority to make recommendations for hiring and terminating employees?                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| (4) Do all managers/supervisors spend more than 50% of their time managing or supervising their employees as their primary duty? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |

b) Administrative Exemption

- |  |  |
|--|--|
| (1) Total # of employees under this exemption: |  |
| (2) # that perform secretarial functions?      |  |
| (3) # who are direct reports of Executives?    |  |

c) Professional Exemption

- |  |  |
|--|--|
| (1) Total # of employees under this exemption:                               |  |
| (2) # who have advanced or professional designations in their field of work: |  |
| (3) # who do <u>not</u> have a college diploma:                              |  |

d) Information Technology (Computer) Exemption

- |   |  |
|---|--|
| (1) Total # of employees under this exemption:                    |  |
| (2) # engaged in manufacturing, repairing or installing hardware: |  |
| (3) # engaged in systems or program designs or development:       |  |
| (4) # paid at least \$27.43 per hour or \$455 per week:           |  |
| (5) # engaged in "Help Desk" or support duties:                   |  |

e) Sales Exemption	
(1) Does the <b>Applicant</b> have any “Inside Sales” employees who are classified as Exempt?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(2) Does the <b>Applicant</b> have any sales employees paid by commission that are classified as Exempt? If “Yes”, please answer the following:	<input type="checkbox"/> Yes <input type="checkbox"/> No
(i) % of such employees who earn more than 50% of their wages due to their commissions?	%
(ii) % of such employees whose total compensation is at least one and one-half times the minimum wage	%
5. Please complete the following concerning the <b>Applicant’s</b> pay practices:	
a) Does the <b>Applicant</b> use an automated time keeping system that prevents rank and file employees from entering their time records manually?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Does the <b>Applicant</b> allow supervisors or managers to edit employee time records?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If “Yes”, please answer the following:	
(1) Have all managers and supervisors been trained regarding proper editing of time records?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
(2) If “Yes”, please provide an explanation regarding the circumstances that an employee’s reported hours can be reduced:	
c) Does the <b>Applicant</b> use a rounded time system in calculating the hours worked by its non-exempt employees?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If “Yes”, please answer the following:	
(1) What rounding interval does the <b>Applicant</b> use? (Please check one)	
<input type="checkbox"/> 1/4 Hour <input type="checkbox"/> 1/10 <sup>th</sup> Hour <input type="checkbox"/> 5 Minute <input type="checkbox"/> Other, please specify: _____	
(2) Does the <b>Applicant</b> always round down when the employee time is before the halfway mark of the interval indicated in number (1), above?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
(3) Does the <b>Applicant</b> always round up when the employee time is after the halfway mark of the interval indicated in number (1), above?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
(4) Does the <b>Applicant</b> always round time up when employees clock in and round down when employees clock out?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
d) Does the <b>Applicant</b> use a fluctuating workweek method to calculate overtime compensation?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If “Yes”, please answer the following:	
(1) Does the <b>Applicant</b> use this method for its salaried employees only?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
(2) Are salaried employees required to sign documentation at the beginning of their employment acknowledging that their salary is intended to compensate them for all hours worked?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

(3) Does the **Applicant** state in its offer letters that an employee's salary is intended to compensate them for all hours worked?

Yes  No  N/A

(4) How long has the **Applicant** been using a fluctuating workweek method to calculate overtime?

e) Please check all forms of compensation the **Applicant** uses in determining its employees' regular rate of pay in order to calculate overtime:

Hourly Wages or Salary

Prizes and Awards Related to Work

Commissions

Shift or Job Differentials

Non-discretionary Bonuses

On-Call or Standby Pay

f) Do any of the **Applicant's** employees receive tips as part of their compensation?

Yes  No

If "Yes", please answer the following:

(1) Please list the employee positions that receive tips as part of their compensation:

\_\_\_\_\_  
\_\_\_\_\_

(2) Do any of the employees that work in positions where tips are customary or regularly given also perform separate work for the **Applicant** in a position that does not customarily receive tips?

Yes  No  N/A

(3) Does the **Applicant** inform its employees that receive tips of the following:

(i) Direct wages to be paid to the employee?

Yes  No  N/A

(ii) Amount of tip credit applied to the employee?

Yes  No  N/A

(iv) Amount of tip pool contributions, if any?

Yes  No  N/A

(v) That tip credits cannot exceed actual tips received?

Yes  No  N/A

(vi) That all tips received by an employee must be retained by the employee?

Yes  No  N/A

(vi) That tip pooling is limited to employees who customarily / regularly receive tips?

Yes  No  N/A

(4) Does the **Applicant** utilize tip credits in all states in which its employees are located?

Yes  No  N/A

g) Within the past year, has the **Applicant** made any deductions from an employee's wage due to shortages, theft or absences of less than a full day?

Yes  No

h) Does the **Applicant** make automatic deductions from pay for meal periods?

Yes  No

If "Yes", please describe the steps the **Applicant** takes to verify that employees have taken a duty free meal period?

\_\_\_\_\_  
\_\_\_\_\_

i) Does the **Applicant** provide its employees with legally required rest periods?  Yes  No  N/A

If "Yes", please describe the steps the **Applicant** takes to verify that employees have taken their rest periods?

j) Does the **Applicant** pay its non-exempt employees for the time spent in donning and doffing work-related uniforms, safety equipment or other required attire?  Yes  No  N/A

k) Please check the option that best describes the **Applicant's** time keeping requirements:

- Employee time is specifically recorded for each day's work
- Employee time is assumed to be a set or standard time and only time exceptions are recorded

l) Does the **Applicant** take deductions from exempt employees' pay?  Yes  No

If "Yes", please state the deductions taken:

6. Please complete the following concerning the **Applicant's** pay policies:

a) Does the **Applicant** provide its employees a complaint hotline or mechanism to report wage and hour issues or concerns?  Yes  No

If "Yes", where or how does the **Applicant** notify its employees of the complaint process referred to in (a), above? (Please check all that apply)

- In the **Applicant's** employee handbook  In the **Applicant's** ethics policy
- In the **Applicant's** employee training material  In postings throughout the workplace
- Other (please specify):  
\_\_\_\_\_

b) Does the **Applicant** post all required federal and state wage and hour posters in areas accessible to its employees and applicants?  Yes  No

If "Yes", does the **Applicant** periodically verify that the posters are still in place?  Yes  No  N/A

c) Does the **Applicant** have a written mandatory arbitration agreement that is signed by each employee concerning the resolution of wage and hour disputes?  Yes  No

If "Yes" does the arbitration agreement contain a waiver for class actions?  Yes  No  N/A

d) Does the **Applicant** have a written policy concerning: (please check all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> Proper timekeeping                                      | <input type="checkbox"/> Retention of payroll and timekeeping records   |
| <input type="checkbox"/> Meal & rest periods                                     | <input type="checkbox"/> Remote work, including authorization and recording of such work  |
| <input type="checkbox"/> Consequences of missed and interrupted meal periods     | <input type="checkbox"/> Non-exempt employees use of cell phones, smart phones, Blackberries or other remote personal communication devices |
| <input type="checkbox"/> Prohibiting off-the-clock work for non-exempt employees | <input type="checkbox"/> Prohibition of retaliation for complaints concerning wage and hour issues  |

e) Does the **Applicant** have a written policy prohibiting improper deductions from wages and reimbursing employees for any such improper deductions? *If "Yes", please provide a copy of such policy.*  Yes  No

7. Over the last five (5) years, has the **Applicant**:

- a) Been named as a defendant in any purported or actual class or collective action lawsuits alleging wage/hour or wage payment violations, including allegations of off-the-clock work, misclassification, meal/rest break violations, wage statement violations, or failure to pay final or other wages due?  Yes  No
- If "Yes", please provide the name of the parties, docket number and jurisdiction of the case; a summary of the lawsuit; and information regarding any settlement, judgment, and remedial action taken as a result of the lawsuit.*
- b) Been the subject of any federal or state Department of Labor investigations or audits?  Yes  No
- If "Yes", please provide a summary of all such investigations and audits, including the date of such investigation or audit, the department conducting the audit or investigation, and the results and/or remedial action taken as a result of such investigation or audit.*

The persons signing this **Application** declare that to the best of their knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all proposed **Insureds** to facilitate the proper and accurate completion of this **Application** for the proposed policy. Signing this **Application** does not bind the undersigned to purchase the insurance, but this **Application** shall be the basis of the contract should a policy be issued.

It is agreed by all concerned that the particulars and statements contained in this **Application** are true and shall be deemed material to the decision of the **Insurer** to issue the insurance. The undersigned agree that if after the date of this **Application** and prior to the effective date of any policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** inaccurate or incomplete, then the undersigned shall notify the **Insurer** of such occurrence, event or circumstance and shall provide the **Insurer** with information that would compete, update or correct such information. In such event, the **Insurer** in its sole discretion may

modify or withdraw any outstanding quotation. The **Insurer** shall maintain on file this **Application**, including material submitted therewith, which shall be considered to be physically attached to and part of the Policy, if issued. The information requested in this **Application** is for underwriting purposes only and does not constitute notice to the **Insurer** under any policy of a **Claim** or potential claim. All such notices must be submitted to the **Insurer** pursuant to the terms of the Policy, if and when issued.

**FRAUD WARNING:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. (Not applicable in AL, CO, DC, FL, KS, LA, ME, MD, MN, NE, NY, OH, OK, OR, RI, TN, VA, VT, or WA.)

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**NOTICE TO COLORADO APPLICANTS:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**WARNING TO DISTRICT OF COLUMBIA APPLICANTS:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the **Applicant**.

**NOTICE TO FLORIDA APPLICANTS:** Any person who knowingly and with intent to injure, defraud, or deceive any in-surer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**NOTICE TO KANSAS APPLICANTS:** Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**NOTICE TO LOUISIANA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO MAINE APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.



**NOTICE TO MINNESOTA APPLICANTS:** A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

**NOTICE TO OHIO APPLICANTS:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**NOTICE TO OKLAHOMA APPLICANTS:** Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO RHODE ISLAND APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**FRAUD WARNING (APPLICABLE IN VERMONT, NEBRASKA AND OREGON):** Any person who intentionally presents a materially false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

**FRAUD WARNING (APPLICABLE IN TENNESSEE, VIRGINIA AND WASHINGTON):** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

**NEW YORK FRAUD WARNING:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**APPLICANT NAME AND TITLE:** \_\_\_\_\_

**APPLICANT'S SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**PRODUCER'S SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**AGENT NAME:** \_\_\_\_\_ **AGENT LICENSE NUMBER:** \_\_\_\_\_

(Applicable to Florida Agents Only)

**IOWA LICENSED AGENT:** \_\_\_\_\_

(Applicable in Iowa Only)

**A POLICY CANNOT BE ISSUED UNLESS THIS APPLICATION IS PROPERLY SIGNED AND DATED.**

**For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either digital signature, electronic signature, facsimile or photocopy shall be the same force and effect as an original signature and that the original and any such copies shall be deemed one and the same document.**